

SUPPLEMENTAL ASSESSMENTS



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What is a Supplemental Assessment?

A **supplemental assessment** is in *addition* to your annual tax bill (also called your fiscal year tax bill, or your regular tax bill). It is the result of a value change due to the completion of new construction or a change in ownership. The supplemental assessment is the difference between the value before and after the date of the event (new construction completion or change in ownership). It is for the prorated portion of the fiscal year for which the change in value exists, beginning with the first day of the month following the value change event (new construction completion or change in ownership) and continuing through to the end of the fiscal year (June 30). At the start of the next fiscal year, the value for the event will be reflected in your annual tax bill, and there will be no additional supplemental assessments until a new value change event (new construction completion or change in ownership) occurs.

What is the fiscal year, and what is the lien date?

The **fiscal year** runs from July 1 through June 30. This is the period of time covered by your annual tax bill. January 1 is the **lien date**. Annual tax bills will be assessed to the owner of record as of 12:01 a.m. on January 1. All property tax liens attach annually to the property as of that date.

What is the Inflationary Factor?

The **Inflationary Factor** is a percentage applied to the assessed value each year. It is based on the California Consumer Price Index (CCPI), but may not exceed 2% per year.

What happens if I only own the property for a short time?

If you only own the property for a short time, you are only responsible for paying supplemental taxes for the period of time you were the owner. **Note:** *If you sell the property before you receive a supplemental tax bill, you are still responsible for paying the bill for the period of time you were the owner.*

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What happens if the value goes down?

A reduction in value will result in a refund being issued by the Auditor's Office. However, a refund will only be issued if the annual taxes for the same year the bill is for **have been paid**. The annual tax bill must be paid in the amount issued, regardless of whether the value for the change in ownership results in a reduction or an increase. (Note: If there is a refund, you may be able to apply it directly to the annual tax bill. To discuss whether you would be eligible for this option, please call the Auditor's Office at (805) 781-5040.)

Will I know about the value change before I receive my supplemental tax?

A Notice of Supplemental Assessment is sent out approximately 60 days before the supplemental tax bill. The notice shows the net difference in value on which the tax bill or refund will be based.

Who should I call if I have questions about my Notice of Supplemental Assessment?

If you have questions about your Notice of Supplemental Assessment, please call our office at (805) 781-5643. If you believe there is an error or disagree with the value, you must submit an Assessment Review Request to our office within 60 days of the mailing date shown on your notice. Filing the request should be done as soon as possible in order to allow time to address your review before your 60-day deadline for filing a formal Assessment Appeal with the County Clerk Recorder passes.

Who should I call if I have questions about my supplemental tax bill?

If you have questions about why you received a supplemental tax bill, or the assessed values which are shown on the tax bill, please call our office at (805) 781-5643.

If you have questions about the payment of your supplemental tax bill, or when it is due, please call the Tax Collector's Office at (805) 781-5830.

If you have questions about a refund, or a warrant (check) issued for a refund, please call the Auditor's Office at (805) 781-5040.

Am I entitled to a Homeowners' Exemption on my supplemental tax bill?

You may be eligible to receive the Homeowners' Exemption of up to \$7,000 of assessed value on a supplemental tax bill **if** the property you acquired was not already receiving the exemption on its annual roll bill **and** the property you acquired will be your principal place of residence.

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A Homeowners' Exemption is not granted automatically. You must submit a claim form to the Assessor for the Homeowners' Exemption no later than the 30th day following the date of notice printed on the Notice of Supplemental Assessment to receive a full exemption, or an exemption of 80% of the full amount will be granted if you file a claim form by the first installment due date.

To be eligible for the exemption you must occupy the home as your principal residence within 90 days of the purchase date or completed new construction for a newly built residence.

The Homeowners' Exemption can only be applied to a supplemental assessment that is a **net increase** and results in a supplemental tax bill. It cannot be applied to a supplemental assessment lowering the value.

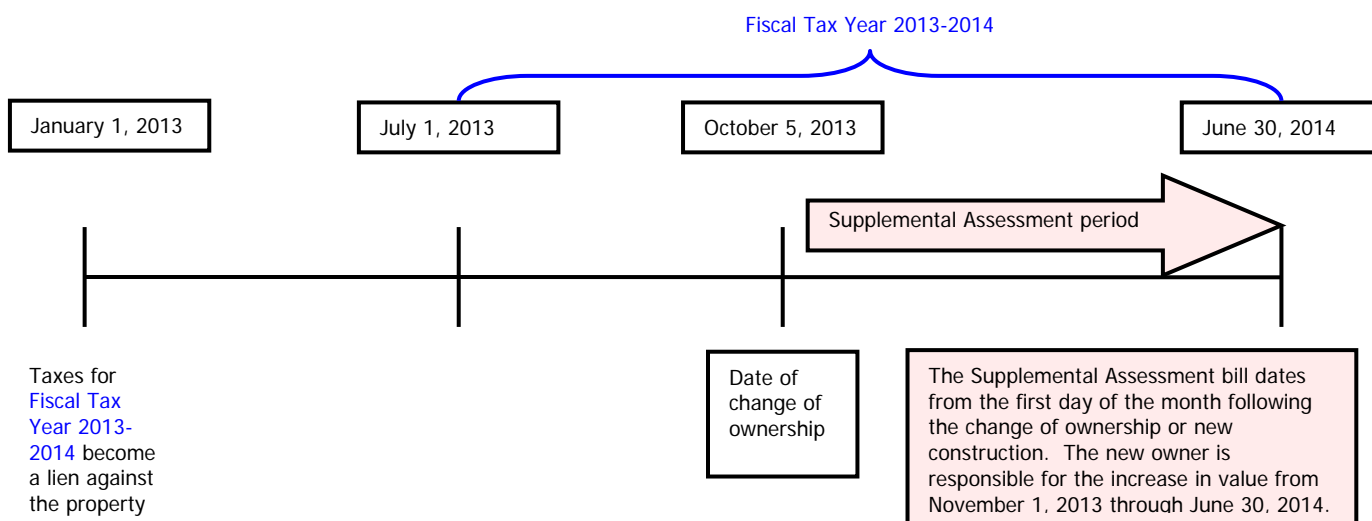
Example

Example: Event occurring between June 1 and December 31.

Mary owns the property on January 1, 2013, (lien date for the 2013/14 fiscal year), and the property has an assessed value of \$150,000. Joe buys the property on October 5, 2013, and the new assessed value is \$290,000.

The *annual* tax bill for the 2013/14 year will be issued in Mary's name (as the lien date owner). It will be based on a value of \$150,000; however Joe will be responsible for the bill. (Note: Normally Mary's portion of the annual tax bill will be prorated in escrow. If Joe doesn't receive the bill, he should call the Tax Collector's Office or visit their website at www.slocounty.ca.gov/tax.)

Joe will be issued one *supplemental* tax bill for the change in ownership effective October 5, 2013. The bill will be based on an increased value of \$140,000 (\$290,000 less \$150,000) and will cover the portion of the 2013/14 fiscal year from November 1, 2013 through June 30, 2014.



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Can I appeal a supplemental assessment if I disagree with the value?

Yes, you have the right to appeal your assessment. However, you must file the appeal with the County Clerk-Recorder within 60 days of the mailing date shown on your Notice of Supplemental Assessment.

Appeal information and forms may be obtained by calling the County Clerk-Recorder at (805) 781-5245, or by visiting their website at www.slocounty.ca.gov/clerk.

Are other exemptions available that might help lower my taxes?

Supplemental taxes are eligible for the same property tax exemptions and assistance programs as are annual tax bills. In addition to the Homeowners' Exemption, you may apply to the Assessor's Office for other exemptions such as the Disabled Veterans, church, and welfare that may result in greater tax savings if you qualify. You must apply to the Assessor for these exemptions no later than the 30th day following the date of notice printed on the Assessor's Notice of Supplemental Assessment.

Please call our office at (805) 781-5643 for more information or to request a claim form.

Why would I receive more than one supplemental tax bill?

There are three reasons why an owner may receive more than one supplemental tax bill.

1. The Supplemental Event Occurred between January 1 and May 31

An event occurring between January 1 and May 31 will generate a second supplemental assessment for the subsequent fiscal year affected. The second bill is generated because the annual roll assessment created for the **coming** fiscal year does not reflect the change in value generated by that event, and must also be adjusted to reflect the difference.

2. A Prior Owner had a Supplemental Event in the Same Fiscal Year

When a series of supplemental events take place within the same fiscal year for different owners, there may also be multiple supplemental tax bills. If the bill for the prior owner's supplemental event is for the same fiscal year in which you took ownership, you will receive a prorated portion of that bill for the time period you owned the property.

3. Multiple Supplemental Events Occurred While You Owned the Property

If multiple supplemental events (changes in ownership and/or new construction) occur while you own the property, you will receive one or two supplemental bills for each of these events. Supplemental assessments are generated for each event.

| Updated ~~11/19/2013~~03/28/2014

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